

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6813

BILL NUMBER: SB 220

NOTE PREPARED: Dec 23, 2010

BILL AMENDED:

SUBJECT: Use of Consumer Reports for Employment Purposes.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill prohibits an employer from using a consumer report for employment purposes unless certain conditions apply.

It allows a consumer to bring a civil action against an employer for a violation of this provision. It also provides that if the Attorney General has reason to believe that an employer has violated the provision, the Attorney General may bring either of the following:

- (1) An action to enjoin the violation.
- (2) An action to recover damages sustained by Indiana residents as a result of the violation.

The bill makes it: (1) a Class B infraction for a knowing or intentional violation of the provision; or (2) a Class A infraction if an employer has a prior unrelated judgment for a violation of the provision.

Effective Date: July 1, 2011.

Summary of NET State Impact: The bill could increase the fine revenue to the state General Fund for violations concerning use of a consumer report for employment purposes, a Class B infraction or a Class A infraction for a prior unrelated conviction. Also, court fees from an infraction action or a civil action could increase revenue to the state General Fund.

Costs for the Attorney General to bring an action to enjoin a violation or recover damages could increase. However, if the action is successful, the Attorney General may be awarded costs and fees.

Explanation of State Expenditures: If a case is brought by the Attorney General, the costs of the action and reasonable attorney fees may be awarded.

Explanation of State Revenues: If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class B infraction is \$1,000 and for a Class A infraction is \$10,000, which is deposited in the state General Fund.

If court actions or civil actions are filed and a judgment is entered, a court fee of \$70 or \$100, respectively, would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 or \$100 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: Attorney General.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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